MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2016/2017

BET2014 – BUSINESS ETHICS

(All sections / Groups)

01 JUNE 2017
2:30 p.m – 4:30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **TWO (2)** pages with **FOUR (4)** Questions only.
2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

(a) Global Business Standards Codex is developed to evaluate the conduct of companies around the world. Based on the following scenarios, discuss any **THREE (3)** principles that have been violated.

Ms. Everly is an executive in the sales and purchase department of a departmental store. She oversees the sales and purchasing of women apparels. She has twenty staff working under her. As she is going through the inventory accounts, she suspects there are some figures that are questionable. In addition, some items seem to be missing. She immediately calls her employees and expresses her dissatisfaction in a bad manner. Ms. Everly also takes advantage of her position, by having longer lunch hour as compared to those under her supervision in the departmental store. (15 marks)

(b) Discuss any **FIVE (5)** conditions that will cause people to make bad decisions. (10 marks)

(Total: 25 marks)

QUESTION 2

(a) Discuss the purpose of code of ethics and **FOUR (4)** components that have impact on the development of the ethical standards of a firm. (13 marks)

(b) Although fraudulent activities occur irrespective of the size of a company, however larger companies experience more fraud. Provide the inputs for the basis of this statement. (12 marks)

(Total: 25 marks)

QUESTION 3

(a) Corporate social responsibility (CSR) is the responsibility that every firm has to develop and implement to aid in social issues that impact the society. CSR often involves voluntary activities undertaken by a firm to operate in an economic, social and environmentally sustainable manner. CSR involves incurring short-term costs that do not provide an immediate financial profit to the company, but instead it promotes positive social and environmental change. Examine **FIVE (5)** advantages from integrating CSR into firm's operation. (10 marks)

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(b) Natural environment is considered a stakeholder without a voice and it is related to resources used in manufacturing of a product, the energy used to run a plant and the disposal of waste products. Natural environment should not be considered as a cost of production, but should be regarded as a potential area to develop a competitive advantage. Companies are able to market their products as ecofriendly which helps differentiate their products by focusing on environmentally friendly strategies. Interpret **THREE (3)** business strategies that companies use to convert natural environment as a stakeholder into competitive advantage. (15 marks)

(Total: 25 marks)

QUESTION 4

(a) Discuss **THREE (3)** policy areas to address Technology Management Issues in ensuring ethical practices and provide reasons for the need of such policies. (15 marks)

(b) Financial reporting is the process of producing statements that disclose a company's financial status to management, investors and the government. Explain the importance of accurate financial reporting to the investors and other interested parties. (10 marks)

(Total: 25 marks)

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